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DE RUEHKT #0468/01 0480851
ZNY CCCCC ZZH
O 170851Z FEB 06
FM AMEMBASSY KATHMANDU
TO RUEHC/SECSTATE WASHDC IMMEDIATE 0365
INFO RUEHBJ/AMEMBASSY BEIJING PRIORITY 3959
RUEHLM/AMEMBASSY COLOMBO PRIORITY 4213
RUEHKA/AMEMBASSY DHAKA PRIORITY 9289
RUEHIL/AMEMBASSY ISLAMABAD PRIORITY 2199
RUEHLO/AMEMBASSY LONDON PRIORITY 3618
RUEHNE/AMEMBASSY NEW DELHI PRIORITY 9238
RUEKJCS/SECDEF WASHDC PRIORITY
RUEAIIA/CIA WASHDC PRIORITY
RHEFDIA/DIA WASHDC PRIORITY
RHHMUNA/CDR USPACOM HONOLULU HI PRIORITY
RHEHNSC/NSC WASHDC PRIORITY

C O N F I D E N T I A L KATHMANDU 000468

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DEPT FOR SA/INS
NSC FOR MILLARD/RICHELSOPH

E.O. 12958: DECL: 02/17/2016
TAGS: [PGOV](#) [PTER](#) [NP](#)
SUBJECT: DEUBA RELEASED, COMPROMISE QUESTIONABLE

REF: A. KATHMANDU 450

[1](#)B. KATHMANDU 429

Classified By: Ambassador James F. Moriarty for reasons 1.4 (b/d)

SUMMARY

[1](#)1. (C) In a February 16 meeting with the Ambassador, newly-released former Prime Minister Sher Bahadur Deuba, head of the Nepali Congress-Democratic (NC-D) party, expressed his thanks to the USG for its support while he was in detention, and had a generally positive reaction to the Ambassador's February 15 speech. Deuba, however, doubted that the Palace would reach out to the Parties. He was also concerned with China's and India's involvement in the current political situation in Nepal. End Summary.

POSITIVE REACTION TO AMBASSADOR'S SPEECH

[1](#)2. (C) Deuba commented that he thought the message of reconciliation in the Ambassador's February 15 speech was positive, but felt the King needed to take the first step. Deuba agreed with the Ambassador that the Parties' alliance with the Maoists was potentially dangerous, but countered that it allowed the Parties to send cadres into the villages without fearing Maoist attack. Deuba lamented that the King's actions over the past 13 months had pushed the political parties toward the Maoists. Deuba acknowledged that, as the Ambassador had said in his speech, the Maoists had high morale and showed no intention of abandoning their campaign of violence. While conceding that the Maoists could "liquidate" the Parties, Deuba expressed doubt that the King was ready to reach out to the Parties or to relinquish any of his power.

REACHING OUT TO THE KING UNLIKELY

[1](#)3. (C) Deuba worried that if he reached out on his own to the King he risked marginalization from the seven-party alliance. When asked how his party might respond if the King reached out, Deuba said it would be difficult to publicly respond

positively to any overtures from the King. Deuba admitted that the Parties do not want to see the King succeed in ending the conflict without them, and he suspected that the King did not want to see the Parties' recent agreement with the Maoists succeed without the Palace. He lamented that in five years no one would blame the King, everyone would blame the political parties for the impasse.

DEUBA CONCERNED ABOUT CHINA AND INDIA

14. (C) Deuba was interested in China's analysis of the situation in Nepal, and its decision not to provide additional military support to the King. The Ambassador told Deuba that in his recent meetings with the Chinese Ambassador, it appeared that China also supported reconciliation between the Parties and the Palace. Deuba expressed continued skepticism toward India's role in Nepal. He concurred with the Ambassador that several of the recent interviews with Maoist leader Prachanda had most likely occurred in India. Deuba had read the recent interviews given by Prachanda, and angrily noted their anti-American sentiment (Ref A). Deuba assured the Ambassador that he would question the Maoists, publicly and privately, why their recent statements singled out the Americans.

DEUBA RELEASED

15. (C) In the February 16 meeting with the Ambassador, Deuba appeared healthy and in good spirits following his release from government custody (Ref B). Deuba conveyed his thanks to the USG for its support and advocacy on his behalf while he was in detention. He stated that he was well treated while in custody, and that had visiting hours daily, when he was able to meet with Party members and his wife; he also had access to newspapers and television.

COMMENT

16. (C) Distrust between the King and Parties remains high, but Deuba, at least privately, would consider reconciliation with the King. He had not heard about the Chinese favoring dialogue, and clearly believed that the Chinese limiting their support for the King would increase the pressure on the Palace to compromise.

MORIARTY